

Tenge Payments

Nordea Bank has during several years performed customer payments in Kazakhstan tenge (KZT) for a number of payment types.

Typically it is payments between Nordic companies (non-residents) and Kazakh companies (residents) covering payments for goods or services. In addition, payments of e.g. share capital, intercompany loans, VAT payments, expenses of representative offices in Kazakhstan may be topical. Payments for private individuals are also possible.

Payments to Kazakhstan

As in all payments, the beneficiary's name and address, including the city, should be given. In addition, the following information is required:

- The beneficiary's BIN number (business identification number for corporates, 12 digits) or IIN (individual identification number for private persons, 12 digits), to be written together with the beneficiary's name and the address
- The beneficiary's bank, its BIC code (SWIFT code)
- Reason of the payment in English in written form "KNPXXXXXXX"

In electronic instructions, e.g. via Nordea's Corporate Netbank, the beneficiary's information should be indicated as follows:

Beneficiary's account number in IBAN format

- Beneficiary's details:
 - Line 1: BIN or IIN
 - Line 2: Beneficiary name
 - Line 3: Beneficiary address

The following remittance information is added to the field "Additional Information"/"Message to beneficiary":

- "KNPXXXXXXX"
- Reason for the payment in written form in English

Rules for the use of Payment Codes in KZT payments to Kazakhstan

The current structure of Purpose of Payment codes in Kazakhstan is built up by a set-up of different digits: code KNP (3 digits), remitter's code KOD (2 digits), beneficiary's code KBE (2 digits) that need to be specified in this particular sequence. The digits / symbols, I to VII, are explained as below:

| DIGIT / SYMBOL | CODE | EXPLANATION |
|----------------|--------|--|
| I-III | XXX | KNP code, purpose code |
| IV | 1 OR 2 | Residency code of the remitter: 1. resident 2. non-resident |
| V | 1-9 | Sector of economy of the remitter: 1. Central government 2. Regional and local governments 3. Central/national banks 4. Other depository organizations 5. Other financial institutions 6. State non-financial institutions 7. Non-government non-financial organizations 8. Non-profit organizations 9. Households |
| VI | 1 OR 2 | Residency code of the beneficiary: 1. resident 2. non-resident |
| VII | 1-9 | Sector of economy of the beneficiary: 1. Central government 2. Regional and local governments 3. Central/national banks 4. Other depository organizations 5. Other financial institutions 6. State non-financial institutions 7. Non-government non-financial organizations 8. Non-profit organizations 9. Households |

The list of KNP Codes can be found in the [Official portal for public services and online information of the Republic of Kazakhstan.](#)

The KOD remitter code would typically be either 27 (non-resident corporate customer) or 29 (non-resident private individual).

The KBE beneficiary code could be for f. ex.:

- 17 – Corporate resident company
- 15 – Resident insurance companies
- 19 – Resident private individuals
- 11 – State Administration income, NAO State Corporation "Government for Citizens"
- 27 – Branches and representative offices of foreign firms
- 14 – Resident bank

Examples of Purpose of Payment code use:

A Nordic corporate customer is sending a KZT payment to its representative office (non-resident) in Almaty, to pay for office expenses: KNP**131**2727. Explanation: "131" – funding of branches or representative offices; "27" – remitter is non-resident corporate, "27" – beneficiary is non-resident corporate.

A Nordic corporate customer is sending a KZT payment to a resident Kazakhstan company to pay for purchase of goods: KNP**710**2717. Explanation: "710" – payment for goods, "27" – remitter is non-resident corporate, "17" – beneficiary is resident corporate.

A Nordic corporate customer is sending a KZT payment to a resident Kazakhstan company to pay for IT services provided: KNP**851**2717. Explanation: "851" – payment for IT services, "27" – remitter is non-resident corporate, "17" – beneficiary is resident corporate.

A Nordic corporate customer is sending a KZT payment to its subsidiary, a resident Kazakhstan company, as an intercompany loan, with a maturity over 1 year: KNP**413**2717. Explanation: : "413" – granting long-term loan, "27" – remitter is non-resident corporate, "17" – beneficiary is resident corporate.

A Nordic corporate customer is sending a KZT payment to its subsidiary, a resident Kazakhstan company, as a capital increase: KNP**610**2717. Explanation: : "610" – contribution to resident legal entity's equity, "27" – remitter is non-resident corporate, "17" – beneficiary is resident corporate.

A Nordic private individual customer is sending a KZT payment to a private individual resident in Kazakhstan as material support: KNP**119**2919. Explanation: : "119" – non-repayable financial/material/sponsor support, "29" – remitter is non-resident private individual, "19" – beneficiary is resident private individual.

A Nordic corporate customer is sending a KZT payment to a resident Kazakh private individual to pay for technical and other professional services: KNP**859**2719. Explanation: "859" – payment for services fulfilled by Kazakh private individual, "27" – remitter is non-resident corporate, "19" – beneficiary is resident private individual.

A Nordic private individual customer is sending a KZT payment to an insurance company in Kazakhstan as an insurance premium: KNP**833**2915. Explanation: "833" – insurance premium (except life insurance), "29" – remitter is non-resident private individual, "15" – beneficiary is resident insurance company.

Payments from Kazakhstan

The remitter should be provided with the following instructions:

Beneficiary:

Nordea Bank Abp, Finland
KZ886010071000000208
BIN 000 000 000 000

Beneficiary's bank:

Halyk Savings Bank, Almaty
SWIFT: HSBKKZKX

KNP code and the purpose of payment: KNPXXXXXXX - Payment for ... in favour of "Company name", account # FI..... (if account in DK/SE/NO, then account DK/SE/NOxxxxxxxxxxxx at Nordea Danmark, filial af Nordea Bank Abp; Nordea Bank Abp, filial i Sverige; Nordea Bank Abp, filial i Norge correspondingly).

Kazakhstan banks are under obligation to monitor that payments are made in accordance with the instructions and exchange regulations issued by the National Bank of Kazakhstan.

It generally takes two banking days for a KZT payment to arrive at Nordea if sent from Almaty, and usually a few days more if sent from other localities. If the remitter's bank is Nordea's correspondent bank Halyk Bank the payment normally reaches Nordea in two banking days, depending on cut-off times.

Restrictions

The Kazakhstan Currency Exchange Law requires residents and non-residents to provide upon request of the authorized bodies documentation on transactions conducted.

Regarding the export/import currency controls, some changes were introduced back in 2012: the passport of deal was abolished, and replaced by registry/identification number of the contract. This goes for export/import contracts with a value above USD 50,000 or equivalent in other currencies.

Regarding limitations on loans it should be noted, that in accordance with the Currency Exchange Law financial loans between non-residents and residents are subject to prior receipt of a registration certificate from the National Bank of Kazakhstan, if the liability amount exceeds USD 500,000 or the equivalent in other currencies (modifications came into force in July 2019).

Certain types of transaction fall under regime of notification, so that residents have to report the respective operation to a National Bank of Kazakhstan branch within 7 days after conducting the transactions.

Disclaimer

This memorandum should not be considered legal advice or explanation of all relevant issues or considerations. You should therefore consult your own legal or other advisers. Nordea Bank assumes no responsibility for any use of this memorandum.

Further information

Nordea Markets

Global EM Solutions Tel: +45 33 33 19 14